

INTERNAL REVENUE SERVICE

Number: **INFO 2000-0395**

Release Date: 12/29/2000

CC:PSI:1-COR-117921-00

Nov. 20, 2000

UILC 1362.00-00

[REDACTED]

We are responding to correspondence, submitted on your behalf by [REDACTED] [REDACTED] Enrolled Agent, requesting relief in order to establish October 2, 1997, as the effective date for your S corporation election. Based on the information submitted, it appears that you are requesting consideration under Revenue Procedure 97-48. However, the facts as presented deem you to be ineligible for *automatic* relief under this revenue procedure as the Internal Revenue Service has no record of receiving a 1997 tax return for your business. Further, a notice identifying the Form 2553 deficiency had been generated by the Service Center within six months after receiving the Form 1120S filed for the 1998 taxable year. Although we are unable to provide automatic relief per your request, this letter provides useful information relating to rectifying your situation.

Announcement 97-4 (copy enclosed) provides guidance on seeking relief for late S corporation elections and inadvertent invalid S corporation elections. Generally, to request relief for a late or invalid S corporation election you must request a private letter ruling from the National Office. The procedures for requesting a private letter ruling are set out in Revenue Procedure 2000-1 (copy enclosed). In addition, Rev. Proc. 2000-1 requires taxpayers to submit a user fee along with their ruling request. The standard user fee for a private letter ruling is \$5,000. However, taxpayers with gross income of less than \$1 million on their last-filed tax return qualify for a **reduced- user fee** in the amount of \$500. If you are eligible to use the reduced fee provision you must include the statement described in § (B)(1)(b) of Appendix A with your request. Please review Appendix B for a sample format for requesting a private letter ruling.

If you decide to submit a formal request for a private letter ruling, please include the proper user fee (if applying under the reduced fee provisions, send a statement certifying gross income) and refer your request to our office by adding the following to the address:

Attn: CC:P&A
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Direct to: CC:PSI:1
Room 5002

Please keep this letter with your tax records and feel free to provide a copy of it to your authorized representative. We hope that the above information proves helpful.

Sincerely yours,

/s/ Dianna K. Miosi

DIANNA K. MIOSI
Chief, Branch 1
Associate Chief Counsel
(Passthroughs and Special Industries)

Enclosures:

Announcement 97-4
Rev. Proc. 2000-1